



## Credit Program Generates Much-Needed Hope in Boaco

### *Fundación José Nieborowski*

No. 20

**C**ompared to Nicaragua's northern departments, the department of Boaco, located in the country's Central Region, was spared much of the violence of the 1980s civil war. Consequently, it became a haven for 6,000 refugees, who flooded the job market, boosting the unemployment rate to 55 percent.

Fundación José Nieborowski (FJN) was created in 1993 to improve the living conditions of both Boaco's long-standing residents and those refugees trying to reconstruct their lives. It was named for a Catholic priest of Polish descent who developed the infrastructure of the city of Boaco and helped it become the department's administrative headquarters. In 1998, the Inter-American Foundation awarded FJN \$310,000 (NC-224) toward the improvement of Boaco's micro-enterprise sector, a source of business development and employment opportunities for the region that had been largely untapped until FJN's initial intervention in 1993.

#### During the course of the three-year project, FJN

- improved the lives of 1,092 people by providing 1,208 loans (641 to the commercial sector, 66 for manufacturing, 63 to the service sector, and 438 for micro-enterprise infrastructure) totaling \$1,036,351;
- grew its credit fund by 50 percent;
- trained 463 current and potential loan recipients in business administration, basic accounting, marketing, participatory leadership, handicraft production, dessert and candy making, milk product development, shoemaking, leather design, and dressmaking;
- participated in community workshops and meetings; and
- helped reverse the inequitable employment terms offered women, who, for example, often receive lower wages and fewer opportunities than their male counterparts (65 percent of the micro-enterprises funded were run by women).

### POSITIVE PROSPECTS

FJN's future looks bright. It has been able to mobilize new sources of credit from the Agencia Española de Cooperación Internacional (AECI), the Inter-American Development Bank (IDB) and the Banco Centroamericano de Integración Económica (BCIE), among others; local institutions have expressed interest in continuing to support its activities (FJN has worked closely with the mayor's office and the city fire department); and it has opened five new branch offices in the past year. It hopes to expand further.

Currently, FJN is one of the few conduits to financial credit markets for Boaco's entrepreneurs working in sectors other than agriculture. FJN hopes to keep lending predominantly to small, urban businesses to promote, over the long term, the region's manufacturing sector, including food processing. In that way, FJN will diversify production in Boaco as well as continue to help department residents maintain or increase their income.



Photo: Courtesy of Fundación José Nieborowski

One example of FJN loan recipients' fine workmanship.

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Photo: Courtesy of Fundación José Nieborowski

Two micro-entrepreneurs telling *chistes*, or jokes, while selling their food products in a local market.

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